

HARDWOOD SURPASSES PINE AS TREE OF CHOICE IN SOUTHERN TIMBER MARKETS

By *Betsy Bates*

Bates Associates, Albany, Georgia

Strong demand and record prices for hardwood tree species dominated Southern timber markets during the final quarter of 2002, a trend likely to continue going forward into 2003, a leading forestry management and consulting firm reports.

A laggard for a long time in many timber markets outside Appalachia, hardwoods ranging from oak to gums to poplar and many other species have surpassed pine varieties as the trees of choice of timber buyers throughout the South. They are being aggressively sought by pulp and paper mills and for manufacture of hardwood lumber and other solid wood products.

"Hardwood and pine stumpage (standing tree) prices achieved something of an historic role reversal during the final quarter of 2002," said Marshall Thomas, president of Albany, Georgia-based F&W Forestry Services, Inc., which provides forestry management and marketing services to private timberland owners in ten Southern states.

Thomas said timber sales data compiled by his company show that prices paid landowners for hardwood pulpwood reached a five-year high during the fourth quarter of 2002 while prices for pine pulpwood plunged to its lowest point in five years – 60 percent below its high for the five-year period.

"One of the most startling things about today's pulpwood prices is that a lot of us never believed we would see hardwood prices as high as pine," Thomas wrote in his company's quarterly forestry newsletter. "Now they are almost double."

Thomas said the swing in hardwood versus pine prices for large, lumber-class trees (saw timber) over the past five



years was less dramatic than for pulpwood, but the trend was still evident. He said prices for large hardwood saw timber in the fourth quarter of 2002 was just shy of its high for the past five years, while pine saw timber was only 16 percent above its five-year low.

"These five-year comparisons reflect both the topsy-turvy nature and the turmoil that have overtaken our timber markets in the recent past," Thomas said, "and these conditions show little sign of abating as we move into 2003."

During the fourth quarter of 2002, Thomas reported that average prices paid landowners for all classes of pine timber declined 3 to 5 percent in its Southeast Price Index Area (AL, FL, GA, SC), while prices for all hardwood timber were up strongly, averaging 36 to 74 percent.

Thomas said Southern tree prices continue to be depressed by the "destructive dumping" of Canadian lumber into this country despite stiff import tariffs. The

U.S. contends that Canadian lumber producers are effectively subsidized through below-market fees for trees harvested from Canada's government-owned forests.

F&W handles timber sales and provides comprehensive forest management and consulting services to private landowners throughout the South through its offices in Phenix City and LaFayette, Alabama; El Dorado, Arkansas; Gainesville and Marianna, Florida; Albany, Atlanta, Macon, and Statesboro, Georgia; Jackson, Mississippi; Bethel, North Carolina; Abbeville, South Carolina; Huntsville, Texas; and Charlottesville, Virginia. 🌲

The use of company names in this article does not constitute an endorsement by Alabama's TREASURED Forests magazine or the Alabama Forestry Commission.